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EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2007-0197-AIR-E TCEQ ID: RN100211523 CASE NO.: 32599
RESPONDENT NAME: Albemarle Catalysts Company LP

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: Albemarle Catalysts Company, 12900 Baypark Road, Pasadena, Harris County</p> <p>TYPE OF OPERATION: Manufacturing plant</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on July 1, 2007. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Ms. Roshondra Lowe, Enforcement Division, Enforcement Team 5, MC R-12, (713) 767-3500; Mr. David Van Soest, Enforcement Division, MC 219, (512) 239-0468 Respondent: Mr. Doug Thompson, Environmental Specialists, Albemarle Catalysts Company LP, 12900 Baypark Road, Pasadena, Texas 77507 Mr. Fred Cannon, VP, Mfg. Catalyst, Albemarle Catalysts Company LP, 12900 Baypark Road, Pasadena, Texas 77507 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: November 17, 2006</p> <p>Date of NOE Relating to this Case: January 29, 2007 (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>AIR</p> <p>1) Failure to prevent unauthorized emissions. Specifically, unauthorized emissions of 3,525.9 pounds (lbs) of particulate matter were released into the atmosphere due to failure of spray dryer bags in the Fluid Catalytic Cracking (FCC) Unit. The emissions event began on October 17, 2006 and lasted 345 hours. Since the emissions event was avoidable Albemarle failed to meet the demonstration for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Air Permit No. 9402, Special Condition No. 1].</p> <p>2) Failure to meet reporting requirements for the emissions event that occurred on October 17, 2006 through October 31, 2006. The event was discovered on October 31, 2006, but the initial report was not submitted to the TCEQ until November 2, 2006 [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$5,252</p> <p>Total Deferred: \$1,050 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$4,202</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Ordering Provisions:</p> <p>The Order will require the Respondent to:</p> <p>a) Within 30 days after the effective date of this Agreed Order:</p> <p>i. Implement measures designed to ensure timely reporting of emissions events; and</p> <p>ii. Implement measures designed to prevent the recurrence of emissions events due to the same cause as the emissions event that occurred on October 17, 2006.</p> <p>b) Within 45 days after the effective date of this Agreed Order, submit written certification demonstrating compliance with Ordering Provisions a.i. through a.ii. The certification shall include detailed supporting documentation including receipts, monitoring records, and/or other records to demonstrate compliance, and be notarized by a State of Texas Notary Public.</p>



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision December 8, 2006

TCEQ

DATES

Assigned

5-Feb-2007

PCW

13-Feb-2007

Screening

8-Feb-2007

EPA Due

RESPONDENT/FACILITY INFORMATION

Respondent Albemarle Catalysts Company LP

Reg. Ent. Ref. No. RN100211523

Facility/Site Region 12-Houston

Major/Minor Source Major

CASE INFORMATION

Enf./Case ID No. 32599

Docket No. 2007-0197-AIR-E

Media Program(s) Air Quality

Multi-Media

Admin. Penalty \$ Limit Minimum \$0 Maximum \$10,000

No. of Violations 2

Order Type 1660

Enf. Coordinator Roshondra Lowe

EC's Team Enforcement Team 6

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)

Subtotal 1 \$2,600

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History 102% Enhancement Subtotals 2, 3, & 7 \$2,652

Notes

The penalty was enhanced due to six NOV's for same or similar violations, one NOV issued for unrelated issues, two unrelated effluent discharge violations, two 1660-style Agreed Orders with denial of liability, and one court judgement containing a denial of liability. Penalty reduction due to two Notice of Audits and one disclosure submitted.

Culpability

No

0% Enhancement

Subtotal 4 \$0

Notes

Respondent does not meet the culpability criteria.

Good Faith Effort to Comply

0% Reduction

Subtotal 5 \$0

Extraordinary

Before NOV

NOV to EDPRP/Settlement Offer

Ordinary

N/A

X

(mark with x)

Notes

The Respondent does not meet the good faith criteria.

0% Enhancement*

Subtotal 6 \$0

Total EB Amounts

\$131

Approx. Cost of Compliance

\$3,000

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7

Final Subtotal \$5,252

OTHER FACTORS AS JUSTICE MAY REQUIRE

Adjustment \$0

Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes

Final Penalty Amount \$5,252

STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty \$5,252

DEFERRAL

20%

Reduction

Adjustment -\$1,050

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY

\$4,202

Screening Date 8-Feb-2007

Docket No. 2007-0197-AIR-E

PCW

Respondent Albemarle Catalysts Company LP

Policy Revision 2 (September 2002)

Case ID No. 32599

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100211523

Media [Statute] Air Quality

Enf. Coordinator Roshondra Lowe

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	6	30%
	Other written NOVs	3	6%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	2	40%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgments or consent decrees meeting criteria)	1	30%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	2	-2%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	1	-2%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 102%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

The penalty was enhanced due to six NOVs for same or similar violations, one NOV issued for unrelated issues, two unrelated effluent discharge violations, two 1660-style Agreed Orders with denial of liability, and one court judgement containing a denial of liability. Penalty reduction due to two Notice of Audits and one disclosure submitted.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 102%

Screening Date 8-Feb-2007

Docket No. 2007-0197-AIR-E

PCW

Respondent Albemarle Catalysts Company LP

Policy Revision 2 (September 2002)

Case ID No. 32599

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100211523

Media [Statute] Air Quality

Enf. Coordinator Roshondra Lowe

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), Tex. Health & Safety Code § 382.085(b), and Air Permit No. 9402, Special Condition No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, unauthorized emissions of 3,525.9 pounds (lbs) of particulate matter were released into the atmosphere due to failure of spray dryer bags in the Fluid Catalytic Cracking (FCC) Unit. The emissions event began on October 17, 2006 and lasted 345 hours. Since the emissions event was avoidable Albemarle failed to meet the demonstration for an affirmative defense in 30 Tex. Admin. Code § 101.222 .

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment in the Houston-Galveston-Brazoria nonattainment area has been exposed to 3,525.9 lbs of particulate matter which do not exceed levels that are protective of human health or environmental receptors as a result of this violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

15 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	X

Violation Base Penalty \$2,500

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$109

Violation Final Penalty Total \$5,050

This violation Final Assessed Penalty (adjusted for limits) \$5,050

Economic Benefit Worksheet

Respondent Albemarle Catalysts Company LP
Case ID No. 32599
Reg. Ent. Reference No. RN100211523
Media Air Quality
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$2,500	17-Oct-2006	1-Sep-2007	0.9	\$109	n/a	\$109

Notes for DELAYED costs

Estimated cost to implement measures designed to ensure that particulate matter emissions from the FCC are properly maintained. Date required based on the date of the emissions event. Final date based on the projected date corrective actions will be completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering Item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,500

TOTAL

\$109

Screening Date 8-Feb-2007

Docket No. 2007-0197-AIR-E

PCW

Respondent Albemarle Catalysts Company LP

Policy Revision 2 (September 2002)

Case ID No. 32599

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100211523

Media [Statute] Air Quality

Enf. Coordinator Roshondra Lowe

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 101.201(a)(1)(B) and Tex. Health & Safety Code § 382.085(b).

Violation Description Failed to meet reporting requirements for the emissions event that occurred on October 17, 2006 through October 31, 2006. The event was discovered on October 31, 2006, but the initial report was not submitted to the TCEQ until November 2, 2006.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
			x

Percent 1%

Matrix Notes

Less than 30 percent of the rule requirement was not met.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$100

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$22

Violation Final Penalty Total \$202

This violation Final Assessed Penalty (adjusted for limits) \$202

Economic Benefit Worksheet

Respondent: Albemarle Catalysts Company LP
 Case ID No. 32599
 Reg. Ent. Reference No. RN100211523
 Media: Air Quality
 Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$500	17-Oct-2006	1-Sep-2007	0.9	\$22	n/a	\$22

Notes for DELAYED costs

Estimated cost to implement measures designed to notify TCEQ of reportable emissions events no later than 24 hours after the discovery of the event. Required date is based on the date the report was due to be submitted.
 Final date is based on the date the training is expected to be completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering Item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$500

TOTAL

\$22

Compliance History

Customer/Respondent/Owner-Operator:	CN602686180	Albemarle Catalysts Company LP	Classification: AVERAGE	Rating: 4.32
Regulated Entity:	RN100211523	ALBEMARLE CATALYSTS COMPANY	Classification: AVERAGE	Site Rating: 5.63

AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0037Q
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AIR OPERATING PERMITS	PERMIT	1559
AIR NEW SOURCE PERMITS	PERMIT	51210
AIR NEW SOURCE PERMITS	PERMIT	52364
AIR NEW SOURCE PERMITS	PERMIT	52699
AIR NEW SOURCE PERMITS	PERMIT	52155
AIR NEW SOURCE PERMITS	PERMIT	52032
AIR NEW SOURCE PERMITS	PERMIT	21865
AIR NEW SOURCE PERMITS	PERMIT	53669
AIR NEW SOURCE PERMITS	PERMIT	54546
AIR NEW SOURCE PERMITS	REGISTRATION	54632
AIR NEW SOURCE PERMITS	REGISTRATION	54915
AIR NEW SOURCE PERMITS	REGISTRATION	55132
AIR NEW SOURCE PERMITS	PERMIT	9402
AIR NEW SOURCE PERMITS	PERMIT	2487
AIR NEW SOURCE PERMITS	REGISTRATION	76400
AIR NEW SOURCE PERMITS	REGISTRATION	56753
AIR NEW SOURCE PERMITS	REGISTRATION	70381
AIR NEW SOURCE PERMITS	REGISTRATION	71389
AIR NEW SOURCE PERMITS	REGISTRATION	72717
AIR NEW SOURCE PERMITS	REGISTRATION	72739
AIR NEW SOURCE PERMITS	PERMIT	76621
AIR NEW SOURCE PERMITS	REGISTRATION	78935
AIR NEW SOURCE PERMITS	PERMIT	16685
AIR NEW SOURCE PERMITS	PERMIT	21149
AIR NEW SOURCE PERMITS	PERMIT	23145
AIR NEW SOURCE PERMITS	PERMIT	26154
AIR NEW SOURCE PERMITS	PERMIT	25321
AIR NEW SOURCE PERMITS	PERMIT	32992
AIR NEW SOURCE PERMITS	PERMIT	34786
AIR NEW SOURCE PERMITS	PERMIT	43631
AIR NEW SOURCE PERMITS	PERMIT	48377
AIR NEW SOURCE PERMITS	PERMIT	49256
AIR NEW SOURCE PERMITS	PERMIT	49563
AIR NEW SOURCE PERMITS	PERMIT	49815
AIR NEW SOURCE PERMITS	PERMIT	49986
AIR NEW SOURCE PERMITS	PERMIT	50119
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG0037Q
AIR NEW SOURCE PERMITS	PERMIT	9692
AIR NEW SOURCE PERMITS	PERMIT	1298
AIR NEW SOURCE PERMITS	PERMIT	14757
AIR NEW SOURCE PERMITS	PERMIT	21865
AIR NEW SOURCE PERMITS	AFS NUM	0321
AIR NEW SOURCE PERMITS	REGISTRATION	80147
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD073920399
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	31226
INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT	50072
INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT	50072

ID Number(s):		
Location:	12900 BAYPARK RD, PASADENA, TX, 77507	Rating Date: 9/1/2006 Repeat Violator: NO
TCEQ Region:	REGION 12 - HOUSTON	
Date Compliance History Prepared:	February 05, 2007	
Agency Decision Requiring Compliance History:	Enforcement	
Compliance Period:	February 05, 2002 to February 05, 2007	
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History		
Name:	Roshondra Lowe	Phone: (713) 767-3553

Site Compliance History Components

- | | |
|--|---------------------------------------|
| 1. Has the site been in existence and/or operation for the full five year compliance period? | Yes |
| 2. Has there been a (known) change in ownership of the site during the compliance period? | Yes |
| 3. If Yes, who is the current owner? | <u>Albemarle Catalysts Company LP</u> |
| 4. If Yes, who was/were the prior owner(s)? | Akzo Nobel Catalysts LLC |
| 5. When did the change(s) in ownership occur? | 31-Jul-04 |

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

Effective Date: 03/28/2005 COURTORDER

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.4
5C THC Chapter 382, SubChapter A 382.085(a)

Description: Discharged air contaminants in such concentration and of such duration as to interfere with the normal use and enjoyment of property in three La Porte neighborhoods.

Classification: Moderate

Citation: 5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Emission Limits PERMIT

Description: Failed to comply with permit limits for PM10 at the spray dryer bag filter.

Effective Date: 07/30/2004 ADMINORDER 2003-1320-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter H 101.359[G]
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failed to submit form ECT-1, Annual Compliance Report by March 31, 2003.

Effective Date: 01/10/2003 ADMINORDER 2002-0085-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Not specified PERMIT
SC 12 PERMIT

Description: Failed to comply with the Final Production Calciner (FCC-74) nitrogen oxides emission limit of 0.066 pounds per million British thermal units.

Classification: Moderate

Citation: 5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Not specified PERMIT
SC 12 PERMIT

Description: Failed to operate the Selective Catalytic Reduction Unit with a 99 % control efficiency for NOX.

Classification: Minor

Citation: 30 TAC Chapter 220, SubChapter B 220.21[G]
30 TAC Chapter 305, SubChapter M 305.503[G]

Description: Failed to pay outstanding fees associated with TCEQ Account Nos. 0105310 and 0609544, i.e. Waste Treatment Inspection Fees and Water Quality Assessment Fees, respectively, for fiscal year 2002.

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

N/A	1	04/04/2002	(102721)
	2	04/18/2002	(102722)
	3	12/20/2002	(16266)
	4	08/29/2002	(1497)
	5	09/23/2003	(314383)
	6	08/29/2002	(2497)
	7	10/20/2003	(314385)
	8	04/22/2004	(359935)
	9	11/25/2003	(314386)
	10	05/25/2004	(359936)
	11	12/29/2003	(314387)
	12	11/01/2004	(281908)
	13	06/28/2004	(359937)
	14	01/23/2004	(314388)
	15	05/31/2006	(480481)
	16	03/25/2006	(485606)
	17	07/22/2004	(359938)
	18	08/24/2004	(359939)
	19	09/24/2004	(359940)
	20	10/19/2004	(359941)
	21	02/24/2003	(9664)
	22	03/10/2004	(265384)
	23	05/31/2006	(457458)
	24	08/29/2003	(153073)
	25	01/22/2004	(250805)
	26	01/24/2003	(203124)

27	08/28/2002	(6481)
28	08/28/2002	(2499)
29	12/19/2002	(203122)
30	11/22/2002	(203118)
31	08/04/2003	(152738)
32	09/05/2002	(2496)
33	10/23/2002	(203114)
34	12/20/2004	(341375)
35	09/24/2002	(203111)
36	08/23/2002	(203108)
37	11/06/2002	(15792)
38	07/25/2002	(203105)
39	01/05/2005	(286039)
40	06/25/2002	(203102)
41	05/23/2002	(203099)
42	05/31/2006	(464456)
43	07/22/2005	(399599)
44	09/10/2003	(247827)
45	04/22/2003	(203096)
46	04/22/2002	(203095)
47	09/01/2004	(293223)
48	08/01/2002	(5945)
49	12/12/2002	(18193)
50	03/27/2003	(203091)
51	03/18/2002	(203090)
52	12/13/2004	(333307)
53	02/27/2003	(203088)
54	02/25/2002	(203087)
55	02/18/2004	(314370)
56	04/11/2005	(376308)
57	07/27/2004	(250493)
58	03/30/2004	(314373)
59	04/08/2004	(262889)
60	05/23/2003	(314375)
61	08/30/2002	(10039)
62	06/20/2003	(314377)
63	01/29/2007	(532777)
64	07/22/2003	(314379)
65	02/08/2002	(102719)
66	08/28/2003	(314381)
67	02/12/2002	(102720)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date	05/03/2006	(464456)		
Self Report?	NO		Classification	Minor
Citation:	30 TAC Chapter 335, SubChapter A 335.2(b)			
Rqmt Prov:	PERMIT I.C.2			
Description:	Allowed unauthorized waste to be managed within the permitted container storage area.			
Date	04/30/2004	(359936)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]			
Description:	Failure to meet the limit for one or more permit parameter			
Date	07/27/2004	(250493)		
Self Report?	NO		Classification	Moderate
Citation:	30 TAC Chapter 122, SubChapter B 122.145(2)(A)			
Description:	Failure to include emission events in deviation reports			
Date	08/29/2002	(1497)		
Self Report?	NO		Classification	Moderate
Citation:	TEXAS HEALTH AND SAFETY CODE 382.085			
Description:	The owner/operator of Akzo Nobel Catalysts L.L.C., Bayport Complex Catalysts Plant, failed to maintain and operate the plant in a manner consistent with good practice for avoiding unauthorized emissions.			
Self Report?	NO		Classification	Moderate
Citation:	TEXAS HEALTH AND SAFETY CODE 382.085			
Description:	The owner/operator of Akzo Nobel Catalysts L.L.C., Bayport Complex Catalysts Plant, failed to maintain and operate the plant in a manner consistent with good practice for avoiding unauthorized emissions.			
Date	08/12/2002	(1497)		
Self Report?	NO		Classification	Moderate
Citation:	TEXAS HEALTH AND SAFETY CODE 382.085			
Description:	The owner/operator of Akzo Nobel Catalysts LLC, Bayport Complex Catalysts Plant, failed to maintain and operate the plant in a manner consistent with good practice for avoiding unauthorized emissions.			

Self Report? NO Classification Moderate
Citation: TEXAS HEALTH AND SAFETY CODE 382.085
Description: The owner/operator of Akzo Nobel Catalysts L.L.C., Bayport Complex Catalysts Plant, failed to maintain and operate the plant in a manner consistent with good practice for avoiding unauthorized emissions.

Self Report? NO Classification Moderate
Citation: TEXAS HEALTH AND SAFETY CODE 382.085
Description: The owner/operator of Akzo Nobel Catalysts L.L.C., Bayport Complex Catalysts Plant, failed to maintain and operate the plant in a manner consistent with good practice for avoiding unauthorized emissions.

Date 08/31/2002 (203111)
Self Report? YES Classification Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Description: TWC Chapter 26 26.121(a)(G)
Failure to meet the limit for one or more permit parameter

Date 09/10/2003 (247827)
Self Report? NO Classification Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)
Rqmt Prov: PERMIT 21865, General Condition No.8
Description: Failure to operate within the permit limits.

Date 05/31/2006 (457458)
Self Report? NO Classification Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
Rqmt Prov: OP O-1559 SC 15
Description: All pertinent data on the deviation that occurred on VSP-9 not submitted.

Date 01/05/2005 (286039)
Self Report? NO Classification Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: PERMIT TCEQ Air Permit No. 9626, SC #1
Description: Exceeded permit limits during an avoidable emissions event.

F. Environmental audits.

Notice of Intent Date: 02/14/2005 (372351)
Disclosure Date: 5/17/2005 12:00:00 AM
Viol. Classification: Moderate
Citation: 30 TAC Chapter 117, SubChapter B
Description: Failed to have installed NOx CEMS for EPN VSP-9 (steam boiler) when exemption expired for Houston/Galveston

area on 3/31/2005

Notice of Intent Date: 09/18/2006 (516537)
No DOV Associated

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
ALBEMARLE CATALYSTS
COMPANY LP
RN100211523**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2007-0197-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Albemarle Catalysts Company LP ("Albemarle") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and Albemarle appear before the Commission and together stipulate that:

1. Albemarle owns and operates a manufacturing plant at 12900 Baypark Road in Pasadena, Harris County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and Albemarle agree that the Commission has jurisdiction to enter this Agreed Order, and that Albemarle is subject to the Commission's jurisdiction.
4. Albemarle received notice of the violations alleged in Section II ("Allegations") on or about February 3, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Albemarle of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Five Thousand Two Hundred Fifty-Two Dollars (\$5,252) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Albemarle has paid Four Thousand Two Hundred Two Dollars (\$4,202) of the

administrative penalty and One Thousand Fifty Dollars (\$1,050) is deferred contingent upon Albemarle's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If Albemarle fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Albemarle to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and Albemarle have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Albemarle has not complied with one or more of the terms or conditions in this Agreed Order.
10. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
11. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, Albemarle is alleged to have:

1. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Air Permit No. 9402, Special Condition No. 1, as documented during an investigation conducted on November 17, 2006. Specifically, unauthorized emissions of 3,525.9 pounds ("lbs") of particulate matter were released into the atmosphere due to failure of spray dryer bags in the Fluid Catalytic Cracking ("FCC") Unit. The emissions event began on October 17, 2006 and lasted 345 hours. Since the emissions event was avoidable, Albemarle failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
2. Failed to meet reporting requirements for the emissions event that occurred on October 17, 2006 through October 31, 2006, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on November 17, 2006. The event was discovered on October 31, 2006, but the initial report was not submitted to the TCEQ until November 2, 2006.

III. DENIALS

Albemarle generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Albemarle pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Albemarle's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Albemarle Catalysts Company LP, Docket No. 2007-0197-AIR-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. It is further ordered that Albemarle shall undertake the following technical requirements:

- a. Within 30 days after the effective date of this Agreed Order:

- i. Implement measures designed to ensure timely reporting of emissions events; and
- ii. Implement measures designed to prevent the recurrence of emissions events due to the same cause as the emissions event that occurred on October 17, 2006.

- b. Within 45 days after the effective date of this Agreed Order, submit written certification demonstrating compliance with Ordering Provisions 2.a.i. through 2.a.ii. The certification shall include detailed supporting documentation including receipts, monitoring records, and/or other records to demonstrate compliance, and be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section, Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

3. The provisions of this Agreed Order shall apply to and be binding upon Albemarle. Albemarle is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If Albemarle fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Albemarle's failure to comply is not a violation of this Agreed Order. Albemarle shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Albemarle shall notify the Executive Director within seven days after Albemarle becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Albemarle shall be made in writing to the Executive Director. Extensions are not effective until Albemarle receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against Albemarle in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Albemarle, or three days after the date on which the Commission mails notice of the Order to Albemarle, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

John S. Sullivan
For the Executive Director

8/23/2007
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that my failure to comply with the Ordering Provisions, if any, in this order and/or my failure to timely pay the penalty amount, may result in:

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me;
- and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Fred Cannon
Signature

8-24-07
Date

Fred Cannon
Name (Printed or typed)
Authorized Representative of
Albemarle Catalysts Company LP

VP Mfg Catalyst
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

